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NATIONAL MUNICIPAL LEAGUE

# The League's Business

## President Winant Appoints Nominating Committee

On his recent brief visit to this country President Winant, now U. S. Ambassador to Great Britain, appointed the following committee for nomination of League officers to be voted upon at the League's annual meeting this fall: Carl H. Pforzheimer, the League's Treasurer, *Chairman*; E. A. Cottrell, Stanford University; Clarence Francis, president of General Foods Corporation and formerly commissioner of finance of Bronxville, New York; George H. Gallup, founder and director of the American Institute of Public Opinion; and H. C. Loeffler, Bureau of the Budget, Washington, D. C. The committee has recently had one meeting and another will be held within a short time.

## Russell Watson New Council Member

President Winant and the League's Executive Committee announce the election of one additional member to the League's Council, **Russell E. Watson** of New Brunswick, New Jersey, attorney and civic leader, who has been actively identified with the Princeton Local Government Survey and other improvement efforts in his state.

## Death Takes Two League Members

Two prominent members of the National Municipal League have been taken by death recently. Theron McCampbell, farmer, former assemblyman, newspaper columnist, and aggressive advocate of governmental improvement in New Jersey, died August 5 as a result of injuries received in an automobile accident. Cyrus Kehr, veteran patent lawyer and pioneer in national planning, died July 14 in Washington, D. C., at the age of eighty-five. Mr. Kehr was one of the earliest advocates of a network of super-highways connecting large centers by the shortest routes.

HOWARD P. JONES, *Secretary*

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## Letter to the Editor

*To the Editor of the*

NATIONAL MUNICIPAL REVIEW:

May I protest against the omission of college citizenship training from the program of the Conference on American Self-government. The induction year for citizenship is age twenty-one, when the most intelligent, most energetic, and most ambitious youth are in college. How pathetic that this conference, which was 50 per cent a university group, should tell the high school and the non-collegiate adult groups how to train for citizenship, but neglect to scrutinize their own classroom program

to see if they are really teaching anything that could be called a "final course in citizenship training for college students."

Fortunately, at the mid-western meeting of political scientists at Pokagon Park, Indiana, in May James K. Pollock and Paul H. Douglas pointed out the seriousness of our neglect to teach practical politics as the most vital part of political science instruction.

Looking back over more than twenty years, I can see a steady trend in the direction of appreciation of the need for a final practical course in citizen-



ship training for college students, but the trend is so slow as to be almost glacial in its velocity.

Just as Russell Forbes is reported to be spending all of his energy to run a great purchasing department the way he said in his books that it should be run, so am I spending all my energy in seeing to it that the seventeen sections of our "Effective Citizenship" course are conducted so as to accomplish the objectives worked out during the past two decades. Laboratory instruction involves a lot of work, about the same amount of work whether it be in chemistry, biology, or citizenship training. However, the question is not how much does it cost—or how much extra work is involved? Rather, is it worth as much to achieve insight into the political processes and to learn certain essential techniques for effective citizenship in a democracy as it is to achieve insight into the biological processes and to learn certain techniques essential to effective personal hygiene and sanitation? Categorically we all answer "Yes!" But practically we say "No!" because there are not a dozen colleges or universities in the United States that provide what may legitimately be called "a final course in citizenship" for all students, whereas nearly every college and university does offer a final course in personal hygiene for all students.

I was asked to be chairman of the Citizenship Day program which was

held recently in the University Field House for the Toledo area. I wished this job onto others both because I did not have the time to do it justice (being already on a draft board) and also because I was already sold on the program and I thought it desirable to have other citizens of Toledo sold on it by the process of participation.

I insist, however, that this one big annual Citizenship Day, with its very brief training for new citizens, is no contribution to the citizenship training of college students! Isn't it about time that we stop trying to teach citizenship by mere "manipulation of words" and rely on more thorough and more effective methods of training! Self-government is much more than an idea and a set of principles, it is a habit of doing things day in and day out. This can never be taught by mere "manipulation of words."

The future of democratic government for the next hundred years, perhaps for the next thousand years, depends on the effectiveness of democratic government in the United States in this generation. University political scientists are meeting this challenge so far as research in and training for public administration are concerned. Are we meeting this challenge as regards training every college student for effective participation in a democratic society under a constitutional government?

O. GARFIELD JONES

University of Toledo

## GRA to Meet in September

The Governmental Research Association will hold its annual conference at the Princeton Inn, Princeton, New Jersey, on September 3, 4, and 5. The program is being arranged by the executive committee of the association of which William C. Beyer, director of the Philadelphia Bureau of Municipal

Research, is chairman. It will include a symposium on probable future developments in citizen research agencies, a "quiz program" session on the problems of such agencies, and sessions on the rehabilitation of blighted areas, improvements in the process of budgeting, and possible improvements in forms of municipal government.

# National Municipal Review

## Editorial Comment

### Boss Hague's Dictatorship Challenged

**A**T LAST the "impossible" has happened in New Jersey. A strong man, so prominent he can't be beaten by thugs and thrown into jail, so clean his character cannot be besmirched, and so firmly implanted in a position of power that he cannot be run out of the state, has challenged the rule of Boss "I Am the Law" Hague.

Charles Edison is the first governor of recent memory who has been bold enough to declare his independence of the ruthless ruler who holds the destinies of debt-burdened, overtaxed but contented Jersey City in his hands and who seems able always to deliver in Hudson County such votes as are needed to determine the results of either a local or state-wide election. The Governor himself was, it is fair to say, elected by Hague. Without the thumping plurality from Hagueland, Edison would have lost.

But now the Governor appears to have embarked on a total war to stamp out Hagueism; and all those who abhor boss rule are applauding and lining up for ringside seats. Even many of those who oppose Edison's party label feel much the same as the remaining democratic world does about the war—that it doesn't matter who licks Hitler, everybody's welcome. Hague, himself, probably smiled out of the corner of his mouth over Edison's campaign promise that he would, if elected, take orders only from his own conscience. Everyone

knew it was within Hague's power to decide who would be governor. So it was a momentous surprise, even an outright challenge, when the new governor, instead of inquiring whether the Jersey City boss had another son or friend who wanted to be a judge, quietly appointed a man who was anathema to Hague. In the open war which followed, the Governor defeated the Hague forces in a legislative fight on the ten-year-old railroad tax issue, with the result, if Hague's state-wide advertising campaign is to be believed, that Jersey City will lose a big chunk of tax revenue; and even Jersey City couldn't very well continue to love Hague if the real property tax went higher than its present staggering 52.18.

Hague and his henchmen stormed, and threatened Edison with political oblivion. The Governor, a successful business man who scarcely could be interested in the kind of financial gain peculiar to Hague's methods and who has an honored name to live up to, calmly replied that he believed local governments must, because they are closest to the people, be the truest examples of honest, democratic government and that they should be led by the highest type of citizen. Hague, he added, fails to measure up as a leader for any governmental division of a democracy and therefore should be liquidated.

Now it shouldn't be assumed that



Hague is so much of a "dese and dose guy" that the significance of this utterance was lost on him. With a grand—and insincere—gesture, he offered to "bestow" the party leadership on Edison, who calmly replied that such leadership was not Hague's but the people's to give. So Hague promptly decided he needed another vacation and headed west although it hasn't been very long since he returned from wintering at his verdant estate in Florida and he hadn't much more than dusted off his lush New Jersey seashore estate for the summer. Meanwhile, a fellow commissioner (one of the four who give the appearance, at least, of tending to business) issued a pledge of fealty which closed touchingly, "We are true blue to Frank Hague."

Although the New Jersey battle is somewhat reminiscent of the 1939 Missouri episode in that a governor

was one of those who initiated the unseating and imprisonment of Boss Pendergast of Kansas City, there is no indication of possible court action in connection with Frank Hague's admitted great wealth. Rather, it seems probable that Governor Edison will seek in the autumn legislative elections to advance the issues of boss rule and the holding of a convention to revise the state's century-old constitution. The struggle more nearly recalls Woodrow Wilson's renunciation of the dominant bosses during his service as governor of New Jersey just prior to his reaching national prominence.

Comparisons are superfluous, however; it would be glory enough for any man and reason enough for his people to be everlastingly grateful if he should simply be able to hang Hague's bald scalp to his belt.

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## Improvement in Atlantic City

AT THE risk of devoting too much attention to one state, it should be mentioned that Enoch L. Johnson, Atlantic City and southern New Jersey political boss for the last thirty years, has been convicted of income tax fraud. Johnson, although theoretically of the opposing political party, was reputed to work harmoniously with Frank Hague in arranging the state's destinies. It is small credit to the perspicacity of the voters of Atlantic City that, despite the prodigious debt, the amazingly high taxes, and the fact that Johnson's questionable activities were common knowledge, they left to a federal jury the task of dealing with

the man who openly admitted that in two years he collected \$124,000 to protect the numbers racket.

In sentencing Johnson to pay a \$20,000 fine and serve ten years in prison, Judge Albert B. Maris took cognizance of the plea that the prisoner had "helped many people" by saying he did it "for selfish motives, to perpetuate himself in power out of funds which cost him nothing." He added: "The jury has found, and I think quite properly that the defendant has set an example of cheating and defrauding his government which is to say the least, a shocking one."

# A Researcher in Politics

*Being the story of a practical political scientist who believes that "politics should be the highest calling there is."*

By MIRIAM ROHER  
*National Municipal Review*

ARTHUR HARRIS' story sounds like an extremely modern version of the old newsboy-to-industrial magnate epic that used to sell paper-covered books for Horatio Alger and Frank L. Patten. He did not exactly rise from rags and there may be no fabulous riches in the picture, now or ever, but there is the germ of the spectacular in the tale of the young political scientist who, without organized political backing, and without money for that matter, rose up to do battle with a heretofore invincible group of "city fathers"—and came out victorious.

Harris is the youngest man ever elected to the city council of Berkeley, California, a community that likes to call itself, and with considerable reason, the best governed in the United States. He is also the first man in twelve years to beat out an incumbent running for re-election there. He is also a governmental researcher of standing, for three years the legislative representative of the University of California's Bureau of Public Administration. And finally, he happens to be, to coin a phrase, tall, dark, and handsome.

The subject objects to the tag, "Boy Politico Makes Good"—he is well under thirty and his age was bandied about in an abortive whispering campaign during the late election—but he does not mind being headlined a "Practical Political Sci-

entist." He believes in practical political science.

"Politics should be the highest calling there is," he thinks. "Politicians are doing a job for the people. Why should we feel that a politician is someone who could never make good at anything else? These days, to do his work properly, a legislator has to know more than the art of dealing out political plums. The trouble is that the American people have usually thought of a politician as a guy in a derby hat and a checkered suit going around kissing babies. That hasn't been true in Berkeley and in plenty of other cities as well."

Perhaps it was these ideas that caused Mr. Harris to heed the call which came to him last spring. He doesn't know just when he did get the notion of going into politics (there is a family legend that Grandpa almost ran for mayor of San Francisco once, so maybe it is in the blood). In any event, when the lightning struck it found a readily ignitable young man.

The Berkeley situation was ripe for a new face, this spring of 1941. It might be said that it was a case of good government with hardening of the arteries. Berkeley is a comfortable residential city, 85,000 in population, near San Francisco, and is considerably influenced by the University of California whose campus it harbors. There has been little vice, crime, or graft in this emi-



nently superior community, and even when the manager plan was adopted, way back in 1923, it was not a question of good government but of still better government.

By 1941 Berkeley's good government was not only habitual but was showing signs of being habit-forming. Not since 1929 had the people exercised their democratic franchise in local elections—which is, at least, the way Arthur Harris put it in his campaign talks and releases. Berkeley's elected officials are eight city councilmen plus a ninth separately elected as mayor. Every biennium half the incumbents come up for re-election. But strangely, after 1929, there was never a new face among those victorious.

Not that the same council served Berkeley for twelve years. There were changes but they were made in the privacy of the family, as it were. Each tiring councilman resigned either before or after election, then was replaced—as per the city charter—by vote of the council, and being an old familiar name to the voters by the time the next election came around, he had an unbeatable advantage over brash newcomers without councilmanic experience. Harris made no charges as to the honesty or ability of any of the incumbents. He simply said they were a closed corporation, ergo, undemocratic.

The 1941 election was, as has been said, a natural for one who would break the spell of the office-holding group. There was no mayoralty campaign this time, making for less heat and perhaps more light to be shed on new talents. There was also a noticeable weakening of the lines

of the Berkeley City Manager League, a civic organization whose chief function had been to re-elect the councilmanic incumbents in years past. Hardening of the arteries there, too, perhaps. There were other signs and portents, not apparent to those without political science in their blood but somehow clear enough to the young man who didn't want to "just sit back on the sidelines" in his university research office.

(In 1939 Arthur Harris had, from the researcher's sidelines, written a study of the working of city manager government in Berkeley for the Social Science Research Council which had called down on his head the wrath of city officials restless under the scrutiny of so youthful a critic.

#### **Wears No Man's Collar**

When in April friends called up from various parts of the city and suggested to Arthur Harris that he make a run for it in May, he was ready, with only one proviso. It was a strange proviso for a man much in need of campaign money and campaign backing. "I will run as an independent," said he, "without tying myself to any organization."

The theory back of this was sound, in the light of what happened later. Harris remembered that Berkeley, even as other communities, is a city with railroad tracks splitting it clean in two. On one side of the tracks is West Berkeley, industrial, working class, low income. In 1923, when the manager plan was up for adoption, most of West Berkeley voted it down because it was "one o' them hifalutin' schemes of the long hair-cuts." Straddling the tracks, which

are the commuters' lifeline, is the business community, the group which, generally speaking, stood behind the incumbent councilmen via the aforementioned Berkeley City Manager League. On the east side of the tracks is the university community and the well-to-do people who live in Berkeley's beautiful hills. A newcomer, reasoned Arthur Harris, had better draw votes from every section of the city rather than rely on one area, for each economic layer already had its favorites. Any organized group would be sure to represent one area only. Therefore, he would "wear no man's collar." Rather, he offered himself for the approval of all, even venturing inside the ranks of the Berkeley City Manager League.

This was one political campaign in which the young and the "scientific" had their say instead of remaining wistfully in the ivory tower. Harris' board of strategy was made up of the people who write treatises for the Bureau of Public Administration on such subjects as probation, fiscal procedure, and defense councils. (The candidate himself had to his credit monographs on labor relations, self-help coöperatives, mediation and arbitration, direct primaries, low-cost housing, and administrative decisions and judicial review.)

They conducted themselves as political scientists should, i.e., they used in practice what they had learned in study. They started a chain telephoning system, each one calling up all his friends and asking each friend to call up all *his* friends. The day before election they called once more, made each friend promise

to be responsible for getting to the polls twenty-five of those who had been called earlier. They went to everyone they knew and asked for campaign contributions. They addressed postcards to five thousand people drawn from lists supplied, in turn, by certain key individuals in the city who wanted Arthur Harris to win. They helped write newspaper releases and they gave advice on speeches. And when the time came to count the votes they acted as watchers at the polls.

#### Leaders Support Him

Harris didn't rely alone on the "University Committee to Elect Arthur Harris," as the researchers were jocularly known in private. In 1940 he had happened to make certain acquaintances who stood him in good stead in 1941. In 1940 it had been a question of a bond issue for a Berkeley civic center in which leaders from every part of the city had been interested. Harris helped with publicity and promotion for this campaign and in 1941 certain of those he met in the course of the work were glad to help a young man of his stamp. A pillar of the Chamber of Commerce turned out to be a pillar of the Arthur Harris campaign, contributing money and support in the right area. A prominent attorney who lived in the hills was also interested. A popular leader in West Berkeley was taken with the young man. And so it happened that each of these local lights was advising his friends to vote for so-and-so and for Arthur Harris. The first mentioned names were different in the case of each leader. But the



name Arthur Harris was included by all.

A happening the day before the election is said to have been the decisive factor in Harris' victory. He still gets a proud gleam in his eye as he tells about it. A sudden telephone call came from the publisher of the *Berkeley Gazette*, the city's only daily. "Come on over here, I want to show you something," said the publisher. What he showed him was the lead editorial for that day's *Gazette*, which read as follows:

#### *Arthur Harris*

Included in the *Gazette's* recommendations for the election tomorrow is the name of Arthur Harris, an independent candidate.

The *Gazette's* considered recommendation springs from these factors:

1. His public and private statements have been sane and constructive.

2. He has had the courage to campaign vigorously under discouraging circumstances.

3. His attitude and experience will make him a valuable addition to the Council.

4. He considers the post important enough to work earnestly for it.

5. He wears no other man's collar.

6. He has won high praise from university officers for his work in the Bureau of Public Administration of the University of California.

7. It is high time that members of the Council be elected initially by the people rather than placed therein by appointment.

Never before had the *Berkeley Gazette* endorsed an untried candidate. There are many who attribute the victory to that editorial alone.

In other respects it was no different from any other municipal cam-

paign. Like runners of the electoral treadmill from time immemorial, Harris made a glad-handing appearance at innumerable clambakes, teas, luncheons, meetings, and perhaps even a sewing circle or two. He made speeches on the two issues of his campaign: the "closed corporation" argument and the matter of a new pension system for city employees, a question which he treated with a subtle combination of learning and common sense, thus managing to please civil servants and the taxpaying economy bloc alike (toward the end of the campaign he made the front page of the *Gazette* on both issues).

#### A Plea with Every Suit

He had humorous encounters with his supporters. Once he dropped into a tailor shop at which one of his cohorts had left a batch of "Harris for Councilman" cards for distribution to the customers. The little tailor had never met Harris before, but he was a "friend of a friend" and that was enough for him.

"Just thought I'd see if you need any more cards," Harris suggested.

"Sure, sure!" said the tailor enthusiastically, "I could use plenty more. See what I do? Every suit which goes out of here cleaned or pressed, one of your cards goes in the breast pocket." He beamed proudly, "You see this suit here? It belongs to xxx"—he mentioned the name of one of the spark plugs of the Berkeley City Manager League.

"Well," said Harris uneasily, "you know he's working against me—maybe you'd better not."

The little tailor banged his fist emphatically on the counter. "He's

working against you? I put two cards in his pocket!"

When the votes were counted Arthur Harris had beaten out one of the four incumbents running for reelection, as well as a woman from the "hill" district, a business man, an attorney, a Negro janitor, and two Communists. He got 8,800 of the 18,600 votes cast, 600 ahead of the incumbent he beat, 1,000 less than the next highest successful candidate. To celebrate, the newly elected councilman opened a law book—in addition to holding down a full time job at the Bureau of Public Administration he goes to law school at night and exams were coming up.

What makes Arthur Harris tick? That question, perhaps, is even more interesting than the story of a good government town in middle age, or the tale of a spectacular political campaign. What is it that brings a young man who is a scientist rather than a politician to political prominence at—sh—such a tender age?

Perhaps the recipe is in the earlier life of the subject in question. He was born in San Francisco—not of a pioneer family, however—on April 18 of a year which he does not care to specify, the anniversary of Paul Revere's ride and of the San Francisco fire.

By the age of eleven he had his first job, as store delivery boy for the swank San Francisco jewelry shop of Shreve, Treat and Eacret where, by fifteen, being exceptionally tall for his age, he was a salesman. His chief *faux pas* in this latter position, he recalls, was selling a silver spoon for a shoehorn. How did he

happen to land at Shreve's, of all places? "I figured out that most of the kids would be trying the department stores; there was less competition at a store like that." An interesting deduction for an eleven-year-old.

The councilmanic job is not the first time Harris has been on the public payroll, either. After hours, as a high school boy, he worked for the city of San Francisco as a shelver in the public library; Berkeley took him on in the same capacity after he came to college there.

During college he continued, in a variety of curious jobs, to aid in his mother's support, his father having died when he was a small child. One of these positions was as a matcher and polisher of football shoes in the students' training quarters. While earning money Harris found time also to earn A's and student offices. He emerged from the undergraduate four years in 1936 with the student body presidency, a public administration major, and a Phi Beta Kappa Key. He made the commencement address.

After a year of graduate work and an M.A. in consequence, Harris embarked upon his career in the Bureau of Public Administration, which involves not only research and the writing of technical reports on governmental matters, but also time spent in Sacramento buttonholing state legislators to find out what subjects they want the bureau to write about next. On the side he does consulting work for various California cities, his last such job hav-

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# Letters from Men in Action II

*"While the Republican party organization man seems to roost on the voter's doorstep, the amazing Roosevelt has become one of the family."*

By J. T. SALTER  
*University of Wisconsin*

I HAVE given my politician friends an injunction that Lincoln once used when he asked a friend to report a convention to him: "Write just what you would talk, but wouldn't print." I have received many spot letters since the last presidential election that throw light on the democratic process of today. The letters<sup>1</sup> I am using are as real as talk; they are from Republican division leaders, and one Democratic ward leader, in Philadelphia. They indicate that the voter is no longer the obedient servant of the modern heirs to the political power of James M'Manes, Israel Durham, Boies Penrose, and Bill Vare. Where in the old past they would trade their vote for a hand clasp or a favor, now they use it to protect a way of life dear to them.

The laboring people, for example, along with the authentic members of the Union League Club, always voted Republican before the Depression. Now the workers and poor people generally are interested in the party of Franklin Roosevelt, because they are convinced that he and his administration are interested in them. And their Republican division leader—the very one who used "to domesticate the universal" for them, could not

tell them differently. Now the voters have their eyes set on something far beyond the boundaries of their division and ward. Maybe there is politics in politics after all.

Several years ago, when I wrote *Boss Rule: Portraits in City Politics*, I said: "The powerful division leader's part in the formulation of public opinion . . . is similar to the action of neutralizers in chemistry or of insulators in electricity." My point was that the division leader gained the support of voters because he did favors for them throughout the year, but he usually refrained from discussing public questions with them. And in the past—before Roosevelt—it was often possible to do this because the public question, or the opposition candidate, was way off there—too far away to be meaningful to the lone voter. His division leader—Tony Nicollo—was near at hand, but a John W. Davis and a James M. Cox were shadowy figures, or just names without individual significance. More often than not the metropolitan voter in congested districts saw the issue of the campaign in this fashion—Tony Nicollo vs. X (the unknown).

But it was different in 1940. I quote a bright energetic law school graduate who has been actively working for the Republican ticket in Philadelphia since 1930.

"As you must know, the results of the election were quite a disap-

<sup>1</sup>For a further discussion of these and other letters see my article, "American Politics: Reports from Men in Action," *University of Toronto Quarterly*, July 1941.

pointment. The defeat of Mr. Willkie was bad enough, but losing the state really hurt. The auditor-general's and the state treasurer's offices were at stake, and believe me, I do mean "steak" or should I have said "pork." These offices were won by the Democrats four years ago when the Great White Father ran for his second term, and if we Republicans could have recaptured them now (as we hoped to), we would have really won something. Patronage has been pretty scarce for the Democrats since they lost the state two years ago and the loss of these two offices would have completely demoralized the local organization. That's that!

"As far as arguments from voters are concerned, there weren't any, at least downtown.

#### **They Knew What They Wanted**

"The voters wanted Roosevelt. They wouldn't listen to arguments or reasons which might dissuade them from their fealty to Mr. Big. We weren't dealing with voters who might be influenced by reasoning, we were confronted by an *'emotion.'* I don't think Roosevelt could have done *anything* prior to the election which would have swerved them from their determination to vote for him. Their's was the blind, unyielding belief that 'the King can do no wrong.'

"Conscription, alien fingerprinting and registration, and suggested mass calisthenics—all smacking of a foreign flavor—in no way concerned them [the voters]. The same policies, suggested by anyone else, would have caused an outcry of 'Hitlerism.' But anything Mr. Big did or does is O. K. They just have no fear where

he is concerned. And this went too, so far as the 'third term' question was concerned."

The next letter is from Jim Terral, a Republican ward politician in a section of Philadelphia known as the tenderloin. Jim is the graduate of a grade B university, has an alert brain, a quick eye, and an indefinite number of constituents who believe with Emerson that a good man must not obey the law too well. Since Mr. Terral knows that "the law is only a memorandum" he and his people work well together. He is prepared to do what it takes to win, but he found Hitler and Willkie too big a liability in his Jewish division. Past favors counted not at all in face of present fear.

"While on the whole it is believed the Republican presidential candidate of 1940 made a better run than the like candidate of 1936, to us along the waterfront area in Philadelphia it was much worse, more uncontrollable, more disastrous, more bitter, and more humiliating.

"In 1936 Hitler had not yet taken over Czechoslovakia, Poland, or any of the other countries from which hail the dwellers in our area. Roosevelt in that year had not yet incurred the full hatred of the Dictators. Landon had innuendos of backing by the Nazis and Fascists, but compared to what was here blamed at Willkie the 1936 tone was merely a whisper.

"Also we had to deal with the 'reliefers' who were afraid they would have to again sell apples. Too, the defense boom gave jobs to some in the Navy Yard and Arsenal, let alone the promises the Democrats made to



get these jobs. This meant whole families switched to protect their 'good fortune.' Even the fact that Willkie promised to continue the defense measures was unavailing because the people believed 'Republicans always economize in wages paid to the public.'

"Finally, in the closing days of the campaign, Roosevelt had his 'Martin, Barton and Fish,' while we had our 'McCracken and Johnson.' You can realize what effect the McCracken 'bloomer' that 'only paupers will vote for Roosevelt' and General Johnson's Major Ginsburgh's 'Vy not?' had in our precincts. Really, in some divisions it was theatrical—the Democrats had shabbily dressed men wearing 'stove-pipe' hats with very large buttons announcing 'I am a pauper for Roosevelt.' Others had boxes of apples, not selling them, but giving them away.

"In my first canvass almost a month before the election I could readily see I would be beaten by 200, so set and bitter were the constituency. Therefore I worked on this angle with those doubtful ones I thought owed me some obligation. I told them I would lose the division by 200. I assured them I couldn't carry the division. Then I tried to impress upon them their vote for the Republican ticket would not affect the results in this division—Roosevelt would carry it—so deep in the hole am I. 'Now forget that Roosevelt or Willkie is running. I alone am running and I must put up some kind of a front.' Then I asked them if there was any reason why I should be humiliated by a 200 beating in view of the services and favors I had

rendered and have been rendering. 'No' was the answer always. So I asked these to promise to pull the Republican lever for my sake only. 'In this way I shall be able to put up a respectable appearance—a beating by 150 or at best by 100.'

#### No Consideration

"These people, too, agreed that an outsider would look upon a 200 beating as a rebuke to a committeeman for not serving his people—a reflection upon the political worker—which wasn't true in my case. Nevertheless, I was beaten by 195 on the presidential end and by 186 on the state ticket. I knew all along that some of my 'friends' were lying in their word, but I never thought I wouldn't get any consideration. I admire a person who would tell me his convictions won't let him swerve, but to promise and think he has fooled me and has gotten away with it makes me uncontrollably 'mad.'

"Five hundred votes were cast in our precinct. Virtually all came out without being called. As I told you in 1936 when voters flock to the polls right away at the opening and continue all day, we know we are in for a trouncing. Nineteen thirty-six was mild compared to 1940's nightmare.

"I never saw the 'kids' take such an interest in an election as in this one. They were even more rabid in their partisanship than their parents. They even stood outside the polls all day hollering 'Roosevelt!'

JIM

"P. S. Big Mike R lost by three again—the same as in 1936."

Tom Cole, one of the nine characters in my book *Boss Rule: Por-*

*traits in City Politics*, has never gone to any university, but he often speaks of religion and has been the leader of his division for about fifty years. He tells me that F. D. R. is the only candidate who has ever beaten him.

"I must apologize for this belated reply, but I have been very busy cleaning up post-election details.

"The last two elections I carried the district for the Republican candidates from top to the bottom, but this man Roosevelt could win against the Lord in my division. The people tell me they will vote for anyone for me except any opponent of Roosevelt.

"I found I could talk to the American born people and the intelligent voters about Willkie and in fact they supported him, but the foreigners, and uneducated voters it was impossible to discuss the issues of the campaign. They wanted Roosevelt whether it meant war, or what have you.

"They seemed to think he gives you even the air we breathe and it would be a desecration to vote against him.

"If you ever come to Philadelphia, I would be glad to have you come down some evening and we could have a talk about the campaign and some interesting things that happened before and after election."

Tony Nicollo, another character in *Boss Rule*, is a superior Italian-American, around forty, and he has unmistakable standards. He is a detective for the county, an assistant to the ward leader, a successful leader of a division—many of whose people are of Italian descent. He does not mention this fact, but I am told that it had a bearing on the final vote.

"Another election is over and so is another headache.

"These elections of today are terrific and in my humble opinion, I think that if a committeeman goes through with ten of these campaigns, and take them to heart the way I do, what I mean is the spirit to win, not just kid around and whatever happens let it happen, I am sure he won't be in good health, being even lucky if he does not drop dead, as you often read these days another 'Committeeman dropped dead.'

"You know there used to be a time when the voter went to the polls with no other reason in mind but to help the committeeman, now it's just the other way around, they go to the polls, to help themselves.

#### His Strategy Succeeds

"Well getting down to this last campaign, I can assure you it was no pudding, but it was good real honest to goodness hard work, and strategy. Now to begin with the people were silent, not expressing themselves to anyone, if we called on them they would very nicely let us in and then state well you don't have to worry about us we're for you, but then I knew that the other side was getting the same reception, and in my own division, the other side were very confident about carrying the division.

"I then formed a committee of two women in each street, and I had them cover same, and I made sure that the two women in every case were the most capable, and came from families who are highly respected in the street, they live in, I then called a meeting of these women only, and asked them to take care of their own street, by canvassing every house, and reporting back to me, and at the same time I put two men on:



every street, and their job was to do nothing except watch where and in what houses the Democrats would get in, then go right in back of them and cover up and find out what progress was made, and knock down whatever progress was made, so you see it was a case of dog eat dog, but I can say right here that nothing the committeeman could say or do on the other side was worth anything, they had the greatest committeeman of all time, in the hidden person of Franklin D. 'Boy what a man,' to a lot of people he is their God. Well we had to get around this great man, so I used the old story that regardless of who was to win he could do so without our division, that it meant a lot for me to carry the division, and in the event of them needing a favor they could go neither to the President or to Willkie, but that I was on the job ready to serve them at any hour or place. So it worked pretty good, as a great number of the voters felt well I'm for the President but I'll vote for Tony Nicollo, so as you already know I carried the division by 196 majority."

The Irish division leader, Timothy Flanagan, also in *Boss Rule*, and living in a section of Philadelphia that he once knew as a farm, and peopled almost entirely by native-born Americans, about 25 per cent of whom are Roman Catholics, had this to say:

"Your letter received and glad to hear from you. Well the election is over and again it is President Franklin Roosevelt, or should I say Franklin 1st.

"It seems as though the American people have forgotten the principles on which the country was founded

and wish to go back to European government by dictatorship.

"It was a hard fight in some sections but I was lucky to a certain extent with divisions around the ward losing by as high as 500 per cent we lost by 51 majority out of over 500 votes cast.

"The people seemed to think that Willkie represented the money interests and would favor the so-called big fellows of Wall Street and that Roosevelt was more for the poor on account of WPA relief.

"In our division we have a large number of hosiery workers who belong to the unions and of course it was labor for Franklin and again others who had been out of work for a long time give Roosevelt credit of the work on National Defense again starting and some of them being machinists and shipyard mechanics and are again working felt as though they owed him a vote.

"I had one fellow tell me he was voting Democrat because they put the country on the rocks and now it was up to them to take us off the rocks, which he doubts they can do without bursting the United States Treasury and then put high taxes on the people and then they would wake up to their own mistakes."

A Democratic congressman and ward leader who once was a Republican division leader wrote:

"As you know, the make-up of the xyz Congressional District is about 60 per cent Italian, 25 per cent Jewish, and the balance Irish, Lithuanian, Polish, Negro, etc.

"After the Philadelphia convention when Wendell Willkie was nominated, the people seemed to consider

him as a 'Great Crusader.' The campaign really did not get started until the first of October when both organizations, Democrat and Republican, had their committeemen start canvassing the people. At that time the reaction I received was varied. For example, some committeemen in the Italian sections would come back and tell me that they were receiving information from voters to the effect that they were opposed to President Roosevelt's re-election on the third term issue. But from the vast majority no comment could be had. The same situation existed within the other groups, except those of Jewish faith which seemed to be inclined toward the President.

"In my opinion the real change in the swing toward President Roosevelt came right after his first visit to Philadelphia, when he rode through my district and was greeted by thousands of people. This was during his inspection tour of the Navy Yard, Quartermaster's Depot, Naval Hospital, etc.

#### 100 Per Cent Americans

"By this time, the Republican committeemen in the Italian sections had played up the President's 'stab in the back' speech, and my committeemen found that a vast majority of Italian people resented the attempt to instill these hatreds into the campaign.

"For instance, I discussed the situation with a man about 50 years old, who is a laborer. He came to this country some 30 years ago and had been opposed to President Roosevelt. He told me he was not interested in what was happening outside of America; he was an American and

his children were all born in this country. He further said that in 1932 he was working 60 hours a week and receiving \$8.00 and \$10.00 for his work; now he works 40 hours a week and receives \$20.00 to \$25.00 for his work. His standard of living has been raised and he felt that because of that he should vote for Mr. Roosevelt as he was the candidate for the common people. He believed that Mr. Willkie, surrounded by industrialists was the candidate of the wealthy and reactionary groups. This type of answer was received from hundreds of Italian-American citizens who seemed to want to lean over backwards to prove that their main interest was not as much in foreign affairs as in domestic security.

"In my opinion American citizens of Italian descent are 100 per cent American and voted as Americans on the basis of what they thought would be best for them in our existing domestic policy. Propaganda of the Republican party was stronger than it had ever been, in an effort to create a picture of President Roosevelt as a war-monger. As you know, this was an utter failure.

"Furthermore, when Robert McCracken, corporation lawyer in Philadelphia, and who handled the Wendell Willkie campaign under J. Cooke, made a statement that only paupers were voting for Roosevelt, he seemed to amplify and corroborate what was in the minds of the working men and women of the xyz Congressional District.

"The people of my district were enjoying many social benefits under the program inaugurated by President Roosevelt and were assured of



no change in these advancements should they vote for him."

And so end these letters, a few from many.

Shortly before his death Lord Bryce wrote: "It is facts that are needed; facts, facts, facts. When facts have been supplied, each of us can try to reason from them." I offer these letters as a pertinent fact on our governing process of today. (An opinion, or attitude, as well as the number five, may be taken as a fact.) What these letters indicate, or for that matter what was indicated by the election of Roosevelt is for each one to conclude. My conclusions will be briefly put.

The most interesting one revolves around the defeat of the party organization at the very point where for a long generation it was invincible. In 1930 Howard P. Jones, editor of the NATIONAL MUNICIPAL REVIEW, asked me to write an article on how to defeat the boss and his organization. Here, Mr. Editor, is your article. The answer to your question is found in each of the letters given above.

Roosevelt and Hitler made the issue so unmistakably clear that the voter, thinking of his very skin and bones, went his own way on November 5, and was not swerved from his true purpose by the most intimate and compelling argument of his Republican ward politician.

The moral is this: the voter is selfish rather than dumb—and because he cannot see far, unless the issue is made very bright and unmistakable, he ordinarily votes for his division leader, who smiles on him in an immediate sort of way. This is basically why an organization is

usually so very powerful. It is the corporeal embodiment of things seen and felt. It is still powerful in primaries, but its influence in elections is problematical.

But President Roosevelt has been able to go the neighborhood politician one better. He has been able to give the dependent citizen more goods and services and more spiritual encouragement, to do more to make the lone individual feel that he belongs than has any other candidate. While the Republican party organization man seems to roost on the voter's doorstep, the amazing Roosevelt has become one of the family.

#### A RESEARCHER IN POLITICS

(Continued from Page 470)

ing been the writing of a manager plan ordinance for the city of Mill Valley. At the moment he is on leave of absence from the bureau in order to make a study of the California state legislature for the Commonwealth Club. One final office: he is executive secretary of the Western Governmental Research Association, the second and youngest man ever to hold that office too.

Arthur Harris isn't sure what he wants to do next. His outlook is almost abnormally level-headed, and he is not the kind of person who will turn down an interesting job just because it doesn't fit in with a preconceived plan. His law school degree, to be forthcoming in 1942, he may put to use in public administration, in governmental research, or in practical politics. Considering his well distributed potentialities, his friends wouldn't be surprised if he finished by doing all three at once. He's got a head start on two already.

# Power Projects Pay Tax Losses

*Congress provides for replacement of revenues lost to states and counties because of hydro-electric projects.*

By ALEX T. EDELMANN  
*University of Tennessee*

THE entry of the national government into the field of public ownership of power has given rise to various problems, one of the most interesting of which is the dislocation of taxes formerly collected or that might in the future be collected by state and local governments. This dislocation, varying considerably in kind and amount among the several national hydro-electric projects constructed to date, has resulted in many requests to the national government for assistance. To meet these situations Congress has provided relief in the form of payments in lieu of taxes. The several measures applying to the federal power projects differ widely in scope and detail.

The problem came up early in connection with the Boulder Canyon Project, authorized in 1928, and the act creating it provided for payments to two states, Arizona and Nevada, of the seven in the Colorado River Basin. It is significant that the payments were not requested by the two states for the purpose of replacing taxes actually lost by the construction of the project. On the contrary, the land used for the reservoir was owned by the United States, and had not previously paid taxes. Because of the construction of the dam by the national government, however, the states were declared to have lost for the future any possibility of collecting revenue from the land or site. Since the states owned and controlled

the water, bed, and banks of navigable streams, according to their contention, they maintained that "something was being taken in the nature of a resource from Arizona and from Nevada by the construction of the dam in the Colorado River, and that there should be some recompense to those states, or some revenue should be derived by them from that construction."<sup>1</sup>

This contention was accepted by Congress, and the Boulder Canyon Project Act stated that if revenues during the period of amortization exceeded the periodical payments to the United States, the states of Arizona and Nevada would each receive during this period 18¾ per cent of the excess revenue. Since the \$165,000,000 advanced by the United States for the undertaking, with the exception of the costs of the All-American Canal and appurtenant structures, was to be repaid within fifty years at 4 per cent interest from the generation of power alone, the basis of payment later encountered much opposition. The amount of excess revenues, if any, was declared to be very indefinite and uncertain.

Accordingly, to meet this criticism, an amendment to the original act in

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<sup>1</sup>The justification of this view and its relation to the general tax replacement policy of the national government were ably presented by Senator Key Pittman, here quoted. See the Congressional Record, 70th Congress, 1st Session, pp. 7250, 7390-92, and 9886-87.



1940, authorizing the Secretary of the Interior to provide for the application of revenues from power, basically changed the payments made to the two states. In commutation of the percentage payments formerly provided, \$300,000 was authorized to be paid to Arizona and to Nevada for each year of operation, beginning with the fiscal year 1939 and including the fiscal year 1988. These sums would be paid from revenues received by the Colorado River Dam fund. If the revenues for any year were insufficient to provide for the payments, however, after the costs of operation, maintenance, and replacement were deducted, due to "any act of God, or of the public enemy, or any major catastrophe, or any other unforeseen and unavoidable cause," the payments would be reduced in the discretion of the Secretary of the Interior.<sup>2</sup>

The amendment declared that the payments to the two states were contractual obligations of the United States. However, if taxes were levied and collected on the project, the electrical power generated, or the privilege of generating or transmitting power, the payments made to each state would be reduced by the amount of the taxes. Moreover, while its provisions in no way restricted the right of Arizona or Nevada or a "lawful taxing political

subdivision" thereof to collect non-discriminatory taxes levied on the transmission lines and other physical properties located therein and belonging to the lessees or allottees, the sums so collected would be deducted from the payments to the states, and adjustments in the nature of credits or otherwise would be made with those so taxed. These provisions constitute the present basis for payments in lieu of taxes to the states affected by the Boulder project.

#### Tennessee Valley Plan

The situation at Boulder was very different from the dislocation that later arose as a result of activities of the Tennessee Valley Authority. Provision was made in the act of 1933 for payments by the Authority to Tennessee and Alabama, in which states electricity was to be generated. This was incorporated as in the case of Boulder because of the states' claim to ownership of the water, bed, and banks of the Tennessee River. Five per cent of the gross proceeds from the sale of power generated at hydro-electric plants existing or afterwards constructed in each state would be paid to that state. In the case of the sale of additional power, 2½ per cent of the gross proceeds therefrom would be paid each state. The percentages specified in the act might be reviewed and changed by the board, subject to presidential approval, but no change could be made more often than once in five years.

This provision remained in effect from 1933 to 1940, during which time the payments increased proportionately with the production of

<sup>2</sup>Another criticism of the original act, the provision for payments to two states only, was also remedied. Five hundred thousand dollars annually was to be paid into a special fund to be used in the states of the Colorado River Basin for the investigation and construction of projects for irrigation, power, and related purposes.

power. Meanwhile a serious situation had developed due to the dislocation of \$3,221,000 in taxes formerly collected by state and local governments on dams and other electric utility property.<sup>3</sup> These taxes, 91.6 per cent of which related to Tennessee alone, were displaced when the Authority, municipalities, coöperatives, and county-owned systems purchased the properties formerly owned by private companies. Approximately \$800,000 consisted of gross receipts, franchise, and other taxes collected by the state of Tennessee, for which the Authority admitted responsibility for 42.2 per cent, since it acquired that proportion of the properties purchased from the companies. The largest item, \$2,261,239, consisted of ad valorem property taxes, only \$822,316 of which was on property acquired by the TVA. The balance was on property acquired by the distribution systems, which were already making in-lieu-of-tax payments to the cities. Since the systems are under state control, they are also either making similar payments to the counties and states or may be required by simple statute to do so.

The only really serious part of the situation was the tax dislocation experienced by the counties on power

facilities acquired by the TVA and therefore tax exempt. The losses were critical in the case of ten counties, nine in Tennessee and one in Georgia, which lost more than 10 per cent of their revenues. The counties were among the poorest, most sparsely populated in the Tennessee Valley, and because of the loss of taxes were facing bankruptcy, curtailment of services, or exorbitant taxes.

#### Norris-Sparkman Act

The existing provision whereby 5 per cent of the gross power revenues was paid to Alabama and Tennessee was meanwhile widely criticized as inadequate for relieving the situation. Losses were occurring in four other states besides the two mentioned, but these were beyond the scope of the act. Moreover, although the payments would increase as the production of power increased, they were insufficient for replacing a loss that was severe, even though temporary.

A number of bills were introduced in Congress to increase the payments and include the other valley states in the benefits. Pleas for tax replacement encountered vigorous opposition in the House of Representatives, especially in the hearings of the Military Affairs Committee on the Norris-Sparkman amendment, proposed as a solution.<sup>4</sup> The majority of the committee and many others

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<sup>3</sup>The dislocation for Tennessee is well analyzed in the *Report on Tax Replacement Requirements in Tennessee, Necessitated by Sale of Private Electric Utility Property to Various Public Agencies*, Tennessee Tax Replacement Commission, by Stanley J. White and E. H. Eakle; and for the Tennessee Valley as a whole, in the Independent Offices Appropriation Bill for 1941, *Hearings before the Subcommittee of the Committee on Appropriations*, House of Representatives, 76th Congress, 3rd Session, Part 2.

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<sup>4</sup>The chairman was Representative May of Kentucky, for many years a bitter foe of the TVA and throughout the hearings there was little semblance of impartiality on the part of the chairman and most of the members.



opposed tax replacement, contending that those benefiting from a federal power program should bear the cost of taxes that were lost. This was a wide divergence from the original theory that the states should be paid because of their rights in rivers used by the federal government for such programs.

To relieve the situation Congress finally yielded to pleas for increased payments to replace the ad valorem property taxes lost by the states and counties by passing the Norris-Sparkman amendment in 1940. The amendment provided that the states and counties losing taxes from the power activities of the TVA would receive payments in lieu of taxes from the Authority. These payments, based on the gross proceeds from the sale of power, would begin at 10 per cent for the fiscal year 1941 and decrease as follows: 9 per cent, 1942; 8 per cent, 1943;  $7\frac{1}{2}$  per cent, 1944; 7 per cent, 1945;  $6\frac{1}{2}$  per cent, 1946; 6 per cent, 1947;  $5\frac{1}{2}$  per cent, 1948; and 5 per cent for 1949 and each succeeding year. The annual sums would be substantially the same, since the increasing production of power would yield greater revenues as the rate of payment declined. One half of the payment would be apportioned among the states on the basis of the amount of power consumed in each state, and the other half on the basis of the value of the power property located therein. The minimum annual payments to the states and counties would not be less than the state and county ad valorem property taxes formerly levied on the power proper-

ties of TVA, and on the portion of the reservoir lands allocable to the production of power.

It is estimated that the payments in lieu of taxes by the Authority for the fiscal year 1941 will be \$1,499,417, which is \$495,630 more than the property tax loss allocable to the Authority. Moreover, the distribution systems will collect \$1,800,000 for the purpose of replacing state and local property taxes. The combined sums almost equal all the taxes dislocated, including even state income, franchise, and other taxes, and the problem threatening very serious consequences is practically solved.

#### Bonneville Project

The controversy over the dislocation of taxes in the Tennessee Valley and the resulting difference of opinion as to the utility of public power projects were feared to possibly react unfavorably on the Bonneville Project, authorized by Congress in 1937 and still in its initial stages. No provision was made in the Bonneville Act for payments to the state and local governments in lieu of taxes. Attention is now being given the problem, however, and several bills have been introduced in Congress for this purpose. One of the most recent provided that the administrator be authorized to make payments in lieu of taxes that might be displaced due to the acquisition of generating, transmission, or distribution facilities. The amount of payment to each state or political subdivision would be determined by the administrator, but could not exceed the average annual amount of real

(Continued on Page 500)

# Philadelphia's First Year of Earned Income Tax

*From viewpoint of fiscal adequacy and low administrative costs new taxes prove sound; city in much improved financial condition.*

By EDWARD W. CARTER, *University of Pennsylvania*  
and EDWARD B. SHILS, *Pennsylvania Economy League*

PHILADELPHIA entered the year 1941 with the brightest prospects for municipal financing since 1927. Not only could the city visualize a balanced budget but it anticipated the purchase of new equipment heretofore impossible because of a diminished revenue base.

The chief cause of distress in Philadelphia finance has been a 25 per cent loss in the assessed valuation of real estate during the past decade. This shrinkage of the revenue base and attendant misfortunes were common occurrences in many large cities. For some years no realistic analysis of Philadelphia's problems had been developed, and loose fiscal practices characterized the city's history in the depression period. These practices consisted of inflated revenue estimates, curtailment of vital services and personnel, over-valuation of sinking fund assets, and the accumulation of large current deficits carried from year to year by means of short term loans.

Coming to the end of such financial expedients, the city was fortunate in having, as its chief executive, Acting Mayor George Connell. During his short tenure of less than a year Mayor Connell determined to reorganize the city's finances thoroughly. To accomplish this he designated a committee of twenty-five representa-

tive citizens known as the Mayor's Revenue Committee. He asked the committee to make a thorough study of the city's fiscal problem and announced that he would forward its recommendations to City Council with his full support.

After a survey of the situation, the committee suggested that a municipal earned income tax be adopted, at a rate sufficient to balance the budget after making all possible operating economies.

The writers were requested to determine yields to the city from various revenue sources for the year 1940. In so doing, they were instructed to give special attention to possible returns from a municipal income tax. After investigation it was estimated that, at a rate of 1½ per cent, an income tax on salaries, wages, and commissions would yield from \$13,850,000 to \$17,022,500 for the year; and that a tax on net profits of unincorporated businesses and professions at the same rate would produce an additional \$1,474,180. The total from these taxable sources was estimated therefore to yield \$15,324,180 to \$18,496,680 for the year.

These estimates were based on such information as was provided by state unemployment compensation yields for Philadelphia, the United



States Department of Commerce census of business, federal income tax payments, and the business census of the Pennsylvania Department of Internal Affairs.

The validity of these estimates was established as yields were reported from month to month. With the closing of the city's books for the year 1940, receipts from salaries, wages, and commissions amounted to \$14,483,820 while those from unincorporated businesses and professions were \$1,800,000, a total of \$16,283,820. The yields by months for the year were as follows:

|                 | <i>Monthly</i> |
|-----------------|----------------|
| January .....   | \$ 1,020,271   |
| February .....  | 1,933,575      |
| March .....     | 1,270,633      |
| April .....     | 1,172,470      |
| May .....       | 1,456,675      |
| June .....      | 1,227,582      |
| July .....      | 1,134,915      |
| August .....    | 1,417,753      |
| September ..... | 1,239,212      |
| October .....   | 1,322,054      |
| November .....  | 1,606,860      |
| December .....  | 1,481,820      |

\$16,283,820

#### Change in Fiscal Policy

The first year (1940) of Mayor Robert E. Lamberton's administration was marked by a complete change in the fiscal policy of the city. Its government embarked on a program of balanced budgets, a true pay-as-you-go policy, new budget controls through a monthly allotment system, and strict economy to a point where budget cuts totaling \$1,388,000 were immediately effected without reduction in essential services.

Some services were expanded. The changes met with widespread public approval. For example, the Bureau of Police was reorganized.

The number of patrolmen on the force was increased. Police precincts were decreased in number, modern police practices were adopted, and patrol activities were fully motorized. Cruiser cars were increased from sixty obsolete vehicles to 175 new cars. This program is being further developed in 1941 with the purchase of an additional 105 cars, some of these vehicles to be equipped with two-way radios. As a result of better enforcement procedures in 1940, police arrests increased 33 per cent over the previous year.

The morale of the Fire Bureau was bettered by the purchase of \$450,000 of modern fire-fighting equipment. Forty-five pieces of this equipment were delivered by October 1940. In addition, plans were evolved for redistricting fire houses on a basis of modern mechanized needs. Plans were also developed for the construction of a new fire alarm system.

In the Bureau of Highways and Street Cleaning, new container-tractor-trailer units were instituted, replacing the old-fashioned ash wagon method of collection. This change resulted in more efficient collections and a reduced unit cost per cubic yard of ash collected.

The Mayor was instrumental in developing a program for water and sewage rehabilitation. Consulting engineers have formulated the plans and a bond issue of \$18,000,000 is authorized for a new water system. The Law Department of the city is presently engaged in drafting a self-liquidating sewage rental plan to provide \$42,000,000 for extension of sewage facilities and the development

of a new system for sewage disposal and treatment.

Lastly, the fiscal authorities are looking to a series of annual reductions in municipal operating expenditures to be secured by: (a) calling bonds and refunding them at lower interest rates, and (b) financing future capital improvements with current funds.

Receipts from the Philadelphia earned income tax made these changes in city operations possible.

#### Who Must Pay?

In reality two separate taxes are collected from residents and non-residents: a tax on salaries and wages and a tax on net profits of unincorporated businesses and professions. Both taxes are levied at the rate of  $1\frac{1}{2}$  per cent and are payable to the Receiver of Taxes. The salary tax and the net profits tax are levied upon wages, commissions, and compensation earned by residents regardless of where their place of employment may be situated. In the case of non-residents only the work done, services performed, and business and professional activities conducted within the city limits are subject to taxation.

The return for net profits of unincorporated businesses and professions must be made on or before March 15. It should show the amount of tax due, the sources of income, and should itemize such deductions as may be claimed. This tax may be paid in four quarterly installments, the first of which is due at the filing of the first return. Other installments become payable by June 15, September 15, and December 15.

An important feature of the tax on salaries and wages is its collection at the source, i.e., from employers who are required to deduct monthly  $1\frac{1}{2}$  per cent of salaries, wages, commissions, and compensation paid. These deductions are forwarded to the Receiver of Taxes on or before the 15th day of the following month. Employers' returns show the names and the amounts earned during the preceding month by each employee.

An effort to exempt small incomes was unsuccessful in the first earned income tax attempted in November 1938 (ordinance of November 26, 1938) and later repealed. Each taxpayer was allowed a \$15 deduction to cover the cost of filing a return. This was in effect an exemption of incomes below \$1,000. The Pennsylvania Supreme Court<sup>1</sup> decided that an exemption did not meet the constitutional requirement of tax uniformity.<sup>2</sup> Thus the court sustained the taxing ordinance and invalidated the exemption.

With adoption of the income tax ordinance, the administrative problem of collecting the tax and auditing returns remained to be solved. Responsibility for collection of the tax and auditing returns was placed upon the office of the Receiver of Taxes of the city.

Since the tax was enacted December 13, 1939, and the first payments were due February 15, 1940, there was but a short period in which to prepare for its operation. In addition to defense of the ordinance in litigation before the courts, it was

<sup>1</sup>*Butcher v. City of Philadelphia*, 333 Pa. 497.

<sup>2</sup>Constitution of Pennsylvania, Art. 9, Sec. 1.



necessary to issue regulations, hold meetings to train a staff of employees and arrange public sessions to explain provisions of the tax to corporation accountants and treasurers. The Receiver of Taxes was also hurried in the preparation of tax forms, making rulings on doubtful questions, rental of machinery and office space. All in all the first months spent in establishing the new tax machinery were a period of strain.

#### Administrative Costs

The tax which yielded \$16,283,820 during 1940 required an appropriation of approximately \$200,000 for administration. Principal expenditures were as follows:

|                                |           |
|--------------------------------|-----------|
| I.B.M. tabulating machinery .. | \$ 18,000 |
| Rent .....                     | 12,000    |
| Postage .....                  | 12,000    |
| Printing and supplies .....    | 25,000    |
| Sixty-eight employees .....    | 113,600   |
| Total .....                    | \$180,600 |

The personnel required for collection of the tax consisted of twenty-two accountants, fourteen key punch operators, three machine operators, and five investigators. The five investigators comprise a field force for making inquiries into delinquent wage taxes. The machinery rented for administrative work in connection with the tax included two sorters, two collators, one reproducer, one interpreter, six verifiers, six numerical punch machines, five alphabetical punch machines, and two tabulators.

During September the office of the Receiver of Taxes carefully reviewed its collection methods of previous months. As a result much larger numbers of letters and delinquency notices were sent out. On file were

a vast number of accounts, more than 150,000 names and addresses. Of these there were approximately 43,000 employers' accounts paying the tax on wages and salaries and 63,000 individual accounts liable for the tax on net profits of businesses and professions. With this number of accounts to be handled during the first year it is not surprising that mistakes occurred. For example, it was found that the taxpayer who operated a business under a trade or store name frequently filed his return as an individual from his home address. In such cases the office of the Receiver of Taxes, finding no return from the store under its name and address as reported in the telephone directory, city business directory, or state mercantile license tax list, sends a delinquent notice to the business address. In the case of partnerships the tax is often paid on the entire partnership without designating all of the partners. These may later receive delinquent notices as individuals.

Among the 43,000 accounts of employers liable for the wage and salary tax of their employees, the margin of error in the office of the Receiver of Taxes was only 3 per cent. It is estimated that approximately one year will be required to weed out duplicate accounts, incorrect addresses, and similar errors. Final collection of the tax in the case of recalcitrant employers or employees require several afternoons per week in the City Department of Law. Two assistant city solicitors are designated to handle this work. A series of letters were framed, the first of which requested payment and

the last, sent by registered mail, threatened immediate prosecution.

### Problems of Enforcement

New problems are constantly arising in enforcement of the tax. Perhaps one or two of these will serve to illustrate difficulties that are encountered. Some confusion is attributable to overlapping of employee and professional status. All persons having an employer-employee relationship within the city of Philadelphia are required to deduct  $1\frac{1}{2}$  per cent of wages or salaries paid. The employer under the ordinance must make the deduction whether he is an individual, a partnership, a corporation, or a trust estate. For example, a real estate broker, or brokerage house dealing in stocks and bonds, operates in the selling of property on a commission basis. It is clear that the contract between the firm and the owner relative to the sale of property places the commissions paid in the status of receipts of a business or profession, and as such they are subject to the tax. However, real estate and stock and bond brokerage houses employing a sales organization pay their employees a percentage of the gross commission for their services. In such cases, wherein salesmen are not operating an individual business enterprise or profession, the amounts paid are taxable as compensation of employees. This becomes important for the employer to understand, since he must pay the tax at the rate of  $1\frac{1}{2}$  per cent on the salaries earned by his employees and in addition he must make an annual or quarterly return on the net profits of his business. This over-

lapping of employee and professional status has been the cause of many inquiries.

Another source of confusion has been the problem of how to treat losses and gains in a collateral activity. Suppose the owner of stocks, bonds, or real estate increases his activities so that he becomes a trader. In such a case he has created a business or professional status by extending his operations into the class of persons upon whom the tax has been levied. Since he is engaged in a business activity for profit he is liable for the tax in the same manner as other business enterprises. Too often it is felt that there is no responsibility for the tax under such conditions because it is erroneously viewed as a direct tax on the securities levied upon by the state in the state personal property tax. The mere investment of capital and profits therefrom are of course not taxable. The commonwealth<sup>3</sup> now taxes income from stocks, bonds, and securities in the hands of ordinary investors and, under Pennsylvania legislation known as the Sterling Act, the city may not tax a subject which is levied upon by the state.<sup>4</sup> Of course, where the owner of stocks, bonds, or real estate may be treated as a trader because of the frequency of his operations, he should deduct business expenses just as any person engaged in business might do.

Notwithstanding the problems arising from the collection and administration of a new tax, it appears evident that from the viewpoint of fiscal adequacy and low cost of ad-

<sup>3</sup>1913 P.S. 507.

<sup>4</sup>1932 P.L. 45.

ministration this tax is a sound one. Municipalities looking for income which will increase in direct proportion to the acceleration of business activity will find that receipts from municipal income taxation will increase rapidly while real estate tax receipts will rise more slowly.

An examination of the trend in Philadelphia attributable to the defense boom is enlightening. During the last few months of 1940 it became apparent that preparations for national defense in the Philadelphia area was increasing payrolls and tax payments, as well as swelling the net profits of unincorporated businesses.

The establishment in the local area of such a concern as Bendix Aviation Corporation, with an expected \$10,000,000 annual payroll, will add at least \$150,000 per year in payroll taxes. Furthermore, substantial revenues will be derived from the newly reorganized Cramps Shipyard, the reopened Pencoyd Steel Plant and the activity of the Empire Ordnance Company. Increased labor forces at many other large plants and at hundreds of smaller ones, including those with subcontracts on defense, seem certain to augment receipts during the second year of the tax. Wage tax receipts for the first month in 1941 were \$1,516,010, approximately \$200,000 greater than the average monthly return in 1940.

Aside from tax receipts originating in growing national defense payrolls, there will be additional income to the city from other sources in 1941. Employees earning wages outside the city and living within Philadelphia have not been taxed at the source. Under a legal opinion rendered by

the City Solicitor such taxpayers are obligated to file individual returns in 1941 on 1940 income. The problem for the city in finding out who these taxpayers are and where they reside is not an easy one. There are at least two methods for accomplishing this. The first is to obtain such names and addresses by interviewing the larger industrial establishments in the Philadelphia area but located outside the city. The second is to consult suburban municipal directories, and to compare the names therein with employee and individual return data already assembled.

Also, state and federal employees living in Philadelphia have not had the tax on their salaries collected at the source. They likewise are required to file individual returns in 1941. A recent act of Congress makes federal employees liable for local taxes which are not discriminatory.

The combination of receipts from new taxables and increased payrolls because of the national defense program should augment the present income by approximately 10 per cent and yield an amount in excess of \$18,000,000 during 1941.

The Philadelphia Receiver of Taxes has been requested to supply information concerning the earned income tax to officials and civic organizations in other cities. Municipalities interested in new sources of revenue, either because of expanding needs or the desire for fiscal adequacy, are studying income taxation as a means to replace shrinking real estate values. The inquiries from communities in other states have increased rather than diminished in recent months.



# Maine's Political Chickens Come Home to Roost

*Creation of legislative research committee most promising result of inquiry into state affairs; fiscal code and structural reorganization needed.*

By EDWARD F. DOW  
*University of Maine*

MUSSOLINI stated bluntly in 1924 that the Italian constitution was merely a "point of departure." A prominent Maine politician told the writer that the constitution of Maine is "something for you fellows to discuss at the university." Ample demonstrations of widespread ignorance of the constitution and disregard for the laws were uncovered by the state legislature and its investigating committee during 1940.

After the state controller put two shots into his body on April 1 of last year, while a private auditing firm was preparing a report disclosing shortages in state funds, various state officials resigned on request, or were investigated and given a more or less clean bill of health. The most spectacular investigations centered around the treasury department. During the three-day legislative hearing to determine whether the treasurer should be removed for alleged inefficiency, a lack of clear concepts was manifest.

EDITOR'S NOTE.—This article follows "Maine's Political Chickens," published in the NATIONAL MUNICIPAL REVIEW for June 1940. For earlier REVIEW articles on the same subject see: "Administrative Reorganization in Maine," by O. C. Hormell, March 1931; "Maine's Administrative Code," by E. F. Dow, September 1931; "Maine Reorganizes and Saves Money," by William Tudor Gardiner, February 1933.

The treasurer is chosen biennially by the legislature to serve for not more than six years successively. He is not allowed to "engage in any business of trade or commerce."<sup>1</sup> His salary is fixed by the governor and council, and his duties by statute. Since the adoption of the Code Act of 1931 the work of the treasury has been little more than custodial. The department receives funds, disburses them only on warrants approved by the governor and council, deposits funds in approved banks, and invests certain trust funds. Ample evidence was presented to show that treasury officials had been lax in the performance of their legal duties.

In spite of the fact that the controller was not bonded and was specifically forbidden to handle state funds, the deputy treasurer had cashed state checks for him aggregating many thousands of dollars. The excuse given by the deputy treasurer was that Controller Runnells' word was law around the State House, and that the Code Act had taken power away from the treasury. Although the deputy had been forced to resign, the treasurer refused to quit. He disclaimed all responsibility for what his deputy had done, or omitted to do, on the score that he himself did

<sup>1</sup>Constitution of Maine, art. v, part four, as amended by art. XXVII.

not know of the improper transactions and was guiltless of any wrongdoing.

When the question of removal came to a vote the legislators were in a quandary. Should the treasurer be held strictly accountable for his department, or should the political customs and traditions and the lack of clear-cut lines of authority and responsibility outweigh the accusations? Some members felt that the Governor was trying to evade his own responsibility and make the treasurer the scapegoat, thus reflecting on the legislature which had made the selection. Others felt that the treasurer's position, known to be a political sinecure of uncertain duration, should not carry any real responsibility. Testimony had been given that the treasurer spent perhaps two days a week in his office.

The Senate turned down the ouster resolve fifteen to fourteen. Shortly after the Senate had voted, the House sustained the Senate by a fourteen-vote margin. The treasurer thus retained office, but vital questions of responsibility and authority remained unsettled. All doubt as to responsibility in such cases could be resolved by a proper administrative setup. The investigators of state administration in Maine in 1930 recommended as follows:

The Bureau of the Treasury should be set up under the Department of Finance as soon as the constitution can be amended. It is necessary that the treasury be an integral part of this department [of finance] and it cannot be made so without eliminating the treasurer from the constitution. The treasurer should be a perma-

nent, full-time employee. No deputy treasurer is necessary.<sup>2</sup>

Investigation disclosed an almost complete lack of coördination, integration, and control within the existing finance department. The commissioner of finance, who resigned when shortages of funds indicated that the controller was guilty of embezzlement, exercised little or no control over the bureaus in his department. He had no real power of appointment or removal, except in theory, due to the practice of allowing the governor and council to act as job brokers for many state positions.

#### Controller Usurps Power

The controller, a bureau head under the finance commissioner, had acquired power far beyond his own jurisdiction. He used his power of controlling accounts to dominate and terrorize, and since no one else understood the machine accounting system installed in 1932 when the state reorganization plan went into effect, it was assumed that he understood its ramifications. Before his appointment he had been a bookkeeper in the Highway Commission, and, as controller, he continued to keep highway accounts, and later took over Liquor Commission accounts. Further than that, he received state money from the highway garage and cashed state checks for large sums, although the law specified that the controller was not to handle any state funds, and he was not required to be bonded.

The Code Act says that the finance

<sup>2</sup>*State Administrative Consolidation in Maine*, 1930, p. 52.

commissioner "may" act as budget officer; but from the first the budget officer, who has since resigned, was a separate person; and the finance commissioner, having nothing to do in his official capacity, took over active management of the Bureau of Purchasing.

Since the resignation of the controller, finance commissioner, and budget officer, there has been a change in functions. The new commissioner is budget officer, and the new purchasing agent and controller are theoretically under his control, as is the tax assessor, who was the only finance officer to retain his position through the 1940 scandals, but who resigned in May 1941.

Old habits and traditions will not be broken down easily, and efficient and responsible state government awaits further administrative and fiscal reform. With the transfer of the treasurer to the finance department, and the concentration in the finance department of scattered tax-collecting functions now widely separated, such as motor vehicle taxes from the secretary of state, the essential prerequisites for financial planning and administration would be centered in the Department of Finance. Thus the budget officer, who is finance commissioner, would have a strategic position for general oversight of state finances. Three other changes, even more vital, would be needed to carry out the program.

1. The budget system should be reorganized. In place of the hybrid, partial budget system now in vogue, there should be an executive budget including all items of debt, revenue, and expenditure. At present the gov-

ernor, governor's council, budget officer, department heads, and a committee of the legislature all have a finger in the budget pie. Furthermore, large sums of money, notably highway funds, are not budgeted in any real sense; for, while automobile fees and gas taxes are segregated, their expenditure is controlled jointly by the legislature, the highway commission, and the governor and council. Neither the governor by himself nor the budget officer can give unity and direction to the state's fiscal program under existing handicaps.

#### **Abolish Council**

2. The governor's council should be abolished. Article V of the Maine constitution of 1819 provides for a governor's council modeled on that of Massachusetts, the parent state. It consists of seven persons chosen biennially by the legislature "to advise the governor in the executive part of government." By custom and statute it has become a quasi-executive-legislative branch of the government. For many years the Republican party has controlled the Maine legislature, and has selected all members of the council. Democrats in the legislature have often proposed a constitutional amendment to eliminate the council but their efforts have been jeered at as partisan politics. Since the council is not accountable to the legislature, the illusory character of legislative influence on the executive via the council is self-evident.

For a good many years a scattering of persons outside of active politics have urged council abolition. Three leading newspapers and many citizens of Maine rallied to the cause in 1940.



The *Portland Press Herald*, *Bangor Daily News*, and *Lewiston Evening Journal* attacked the council editorially. Quoting the *Journal*, the *News* said on October 8: "It is not representative. . . . The council has become a political employment agency dealing in hundreds of state jobs. . . . The council exercises control of the highway department through funds. . . . It dips into everything that it has a notion to, and sometimes is a decided embarrassment to the governor. At best it divides the executive responsibility. . . . It is expensive. It is a bad influence on good government."

Governor Sewall pledged himself before election to restrict the council to its constitutional prerogatives. So long as there is a council, both council and legislature will be tempted to use it against the governor, or in cahoots with the governor, as a patronage tool and a fiscal weapon. The legislature would serve itself, the governor, and the people, by proposing a constitutional amendment abolishing the council.

3. The tax laws should be revised. Maine's tax program is near collapse because of its burdensome features and its inadequacy to meet new needs such as old-age assistance. A thorough revision of the general property tax, liquor taxes, and other tax laws is urgent. In spite of surveys, bills galore, and much debate, no real changes have been made.

Because of the confusion and profusion of laws on the subjects of taxation and fiscal administration, it would be well to have these laws revamped and placed in a fiscal code. The legislative research committee

authorized in 1940 might well undertake the drafting of a fiscal code as its first major work and report to a special legislative session of 1942 or to the regular session of 1943.

The wrong governor will find opportunity for mischief even in a good system, but a good governor would find a well drawn fiscal code the key to harmony, balance, and control of the state's affairs.

These suggested constitutional and legal changes would restore the legislature to its proper position of dignity and control of legislative policy. Freed from the need for haggling over the election of a council and a treasurer, freed from responsibility for the deeds or misdeeds of these officials, and freed from their meddlings in legislative matters, the legislature would be able to devote itself to important legislative problems.

#### Investigation of 1940

The special joint legislative investigating committee of eleven members appointed in May of 1940 engaged two lawyers to do much of the catechizing of witnesses and report writing. One hundred thirty-five witnesses were examined, and 3,336 pages of testimony taken. From this mass of evidence the committee published two documents of fifty pages each, a *Partial Report* and a *Final Report*, and another *Final Report* of eleven pages.

Part of the testimony was turned over to grand juries and extensive selections from the remainder were published serially in the *Bangor Daily News*. Certain prominent critics have pointed out that the *July Par-*

*tial Report* is much more critical and vigorous than the October *Final Report*. Indeed the latter is more laudatory than critical.

Whether the committee was investigating the highway commission, liquor commission, personnel board, or secretary of state's department, all critical elements in the testimony can be sifted into two parts: (1) structural or organizational faults, (2) incompetent personnel. Examples of structural faults were numerous in highway and liquor commissions, and arose largely from the archaic three-man commission organization, which naturally tends toward vagueness and confusion of lines of authority and responsibility. It was not uncommon for the investigators to find employees almost completely at sea as to their powers and duties. Departmental rules and procedures were sketchy and inadequate, partly as the result of gaps in the laws, but also because of the lack of competent administrative talent. The heavy hand of the spoils system had left its mark in every agency investigated.

Concerning the Highway Commission the *Partial Report* recommended: "That the Highway Commission in conjunction with the personnel board shall readjust all wages and conditions of employment in that department, having regard to efficiency, length of service, and the like.

"That hiring, firing, and fixing of salaries be done hereafter without interference from or approval by the governor and council."

Concerning the superintendent of buildings, the committee said: "This

position has always been considered as a purely political one and the duties have never been arduous."

The private auditors discovered a gasoline shortage in the highway garage amounting to several thousands of gallons. The supervisor of motor vehicles, who had been the governor's college roommate, resigned the day before he was to appear before the committee.

#### Graft Uncovered

One official testified that he had been active in securing a \$500 campaign contribution from a trucking firm for his department head to be used to promote that official's gubernatorial campaign. Another department head was given a state-owned camp on Moosehead Lake by order of the governor and council. He testified that he refused the gift.

One of the most interesting committee inquiries concerned Brooklawn Memorial Park, described in the *Final Report* as a "cemetery racket along the usual lines." The inquiry was the result of public and newspaper criticism of the attorney-general, who had served as a director, stockholder, and legal counsel for the cemetery corporation. His name was used as bait by unscrupulous salesmen. "The company had gross sales of lots of \$601,029.33. The gross selling expense . . . was \$386,334.53, or approximately 64 per cent of the gross receipts. . . ." The company went into receivership and the investors, hopeful of large profits, lost most of their money. The attorney-general is absolved by the committee of anything more than "an error of judgment."

The most promising immediate result of the investigation was the passage of Legislative Document No. 1265, being *An Act to Create a Legislative Research Committee*. The act sets up a ten-member joint committee much like the Kansas Legislative Council. The committee must meet at least once every three months, and is designed: "To collect information concerning the government and general welfare of the state . . . to study the possibilities for consolidation . . . [and make] recommendations, in the form of bills or otherwise. . . ." The board may investigate, require studies made in its behalf, and employ research agencies. The governor may send messages to the committee recommending legislation and explaining his policies.

The bill has possibilities for good or ill. The committee may prove to be another politically-minded spoils group competing with the governor's council, or it may fall quietly into disuse. Ideally, it should serve as a liaison agency between governor and legislature. As a source of information for the legislature it can do the spade work on major bills and save the legislators time which is wasted, especially at the beginning of a session. To make this phase of its work successful, the committee should set up a research staff headed by a social scientist as director of research.

Structural faults in Maine's government indicate need for thorough reorganization which might well follow the adoption of the fiscal code as a second part of a long-range plan. The spoils system is not easily eradicated, but work should start at once,

and continue endlessly. More vital, however, is the need for courageous leadership, from the governor, through the legislature, down to plain John Doe and Mrs. Doe.

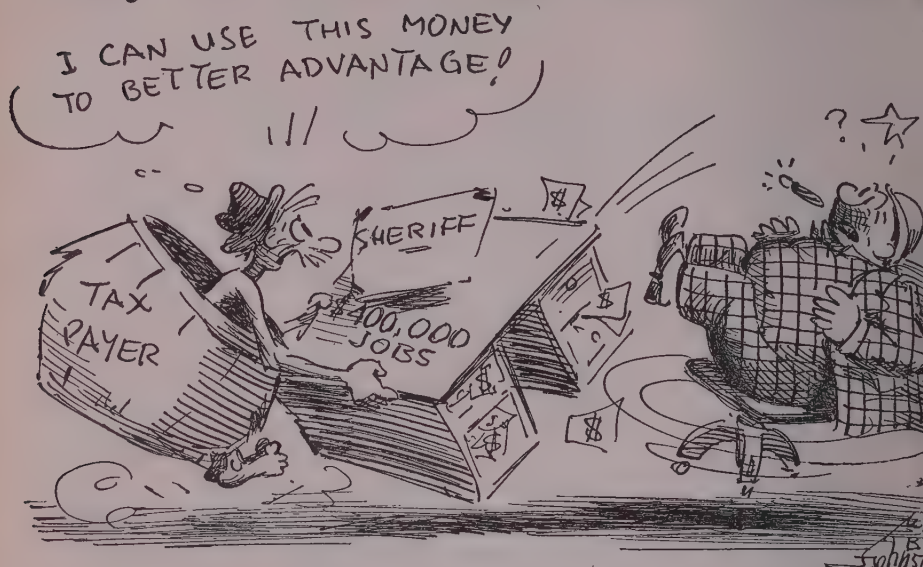
Maine people may have been willing to admit privately that not all officeholders were as energetic as possible, but their pride in the integrity and economy of Maine's government knew no bounds. The two shots fired by Mr. Runnells (at himself) on April 1, 1940, were heard throughout the state, and their echoes are still bouncing from hill to hill all the way from Kittery to Fort Kent. With disclosure and insinuation crowding fast upon one another in rapid succession, public bewilderment has been both intense and painful.

Neither the Maine public nor the legislature has as yet decided what to do about Maine's political chickens, although a year and a half of startling, amusing, and serious developments in state affairs have furnished ample evidence of need for action. A few political chickens have felt the axe, some others made decidedly sick, and a few rats have been trapped or driven away from the chicken feed. A board of expert investigators sprayed a bit of disinfectant here, applied a dab of whitewash there. The 1940 special legislative session enlarged a few of the hen house windows, placed the roosts higher and more inaccessible, and made a few recommendations regarding diet and care. Some of the members were accused of building fences of their own, or of having "an axe to grind." Political chickens have done more scratching around, less crowing or "setting," but they are still able to come home to roost.



# COUNTY REFORM

## Why We Need It and How to Get It



"The Sheriff is a man with feet  
Who sits upon the county seat.  
If we should take his desk away  
His feet would have no place to stay."  
*Paul Blanshard*

(Illustration by Will B. Johnston  
of the N. Y. World-Telegram)

"Why leave the Sheriff? As far as the City of New York is concerned, the Sheriff's office is just all finished. I was Sheriff myself and I was busy looking for something to do, and if it had not been for the war and the time I put in selling liberty bonds and war-savings stamps and seeing the boys off, I would have had nothing to do." *Former Governor Alfred E. Smith.*

"Too long, in my opinion, the taxpayers have been made to bear an unjustified burden." *Governor Herbert H. Lehman.*

"I can think of no greater, better public service than to get this petition on the ballot. . . . I ask all persons interested in good government to apply for petitions." *Mayor Fiorello H. LaGuardia* in signing the first 1941 county reform petition, February 28, 1941

EDITOR'S NOTE.—This is page one of about the best campaign pamphlet we've seen recently. The New York Citizens' Non-Partisan Committee is circulating it to help put across county reform by abolishing obsolete patronage-giving county offices. Petitions bearing nearly 93,000 signatures have been filed requesting a vote on the matter. The pamphlet, which helped get the signatures, is four pages with eye-catching pen pictures by New York's top newspaper cartoonists heading each page. Brief comments give the essential facts and issues in the campaign.

# Contributors in Review

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**A** SCHOLARLY pursuit of "political chickens" has taken **Edward F. Dow** (*Maine's Political Chickens Come Home To Roost*) intermittently afield from his post as head of the Department of History and Government at the University of Maine. Most recently, he was a member of the Maine staff of the Brookings Institution to survey local relief administration. Professor Dow has served also as special research agent for the Department of Commerce and has collaborated with the Social Science Research Council in a study of city manager government in Portland.

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**L**OCATED in the midst of TVA activities since 1938 as assistant professor of political science at the University of Tennessee, **Alex T. Edelmann** (*Power Projects Pay Tax Losses*) has had good opportunity to observe the effect of public ownership on local governments. Thus he has completed several studies on the problem of displacement of taxes. Dr. Edelmann has also taught at the University of Mississippi, while his doctoral degree comes from the University of still another state, Illinois.

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**O**NE member of the class of '36 interviewed another when **Miriam Roher** (*A Researcher in Politics*) went to work on Berkeley's new councilman. Her '36 is an eastern brand, however, bearing the seal of Columbia University's Barnard College. Formerly publications editor of the National Municipal League, Miss Roher has spent the past year in California, where as National Women's Public Service Fellow she has been doing field experimentation on the effectiveness of various methods of municipal reporting to citizens.

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**A**CCORDING to his publishers, **J. T. Salter** (*Letters from Men in Action II*) "knows literally hundreds of politicians of all sorts and conditions and keeps in touch with them." Material for his books and articles on the political animal in action (*Boss Rule: Portraits in City Politics, The Pattern of Politics*, etc.) was collected as a sideline to his various teaching jobs in Pennsylvania, Oklahoma, and the University of Wisconsin, where he is now associate professor of political science. Part of Dr. Salter's education in human nature was derived some twenty-five years ago when he "rode the freights" during college vacations.

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**B**OTH **Edward B. Shils** and **Edward W. Carter** (*Philadelphia's First Year of Earned Income Tax*) have been intimately associated in a research capacity with Philadelphia finance. A research associate at the Philadelphia Committee of the Pennsylvania Economy League, Dr. Shils devotes most of his time to city finance and police administration; he is author of *Finances and Financial Administration of the of the School District of Philadelphia*. Dr. Carter, an associate professor of political science in the Wharton School of the University of Pennsylvania, was a member of the commission appointed by Philadelphia's mayor to study municipal finances. He has done considerable writing on the subject of the city's income tax.

# Recent Books Reviewed

EDITED BY ELSIE S. PARKER

**The Pattern of Politics.** By J. T. Salter. New York City, The Macmillan Company, 1940. xv, 246 pp. \$2.25.

*The Pattern of Politics* can serve at once as a primer for political hopefuls, a series of case histories for dissection by the expert, or fine hot-weather diversion for those who like to read about politics for the fun of it.

Which is another way of saying this newest of Mr. Salter's pen pictures of politics is true to his sprightly style and also to his keen sense of politics as a science.

As his readers well know, Mr. Salter starts from the premise that politics is a human process, not a course of study to be pursued in a vacuum. So he begins with the voter and his home town politician as the hub of the political scene and expands from there into the fields of political behavior, public morality, voter characteristics, techniques of politicians, and the place of leadership itself.

His experience and observations range the political scene from the back-room of the local party clubhouse to the halls of the U. S. Senate.

His illustrations of successful and unsuccessful political methods would make handy reference material for any candidate. These same illustrations portray for the political scientist the strange and complex electorate which runs our democracy. And withal there is not a dull page in the book.

One of the most interesting sections deals with leadership and the techniques of great leaders. Mr. Salter does a fascinating job of analyzing great leaders, religious and political, beginning with Christ and the apparent failure of his leadership until after his death.

A large amount of space is devoted to Franklin Roosevelt whom Mr. Salter

regards as the outstanding leader of the day. Mr. Willkie also comes in for some observations that seem somewhat like afterthoughts.

On the final page Mr. Salter draws his conclusions in one paragraph. Only the people, says he, can draw conclusions that matter in a democracy. Mr. Salter is simply presenting the political process as it actually works in a free country.

E. N. T.

**The Book of the States 1941-42** (Vol. IV). Chicago, The Council of State Governments, 1941. xii, 423 pp. \$3.50.

This, the fourth issue of the recognized reference manual on the forty-eight states, reports important developments during the last biennium. It also presents routine information on state organization, personnel, and dates of legislative sessions, together with one hundred tables showing the occurrence of certain state laws, dates of adoption of major state taxes, assessed valuations of property, qualifications for voting, and other important facts.

There are brief articles on such subjects as state defense councils, developments in social security legislation and administration, merit system adoptions, state debts and finances, and state advertising. The book also reports the activities of the Council of State Governments, which was established in 1935, as an information center to assist states in solving legislative and administrative problems and to bring about interstate coöperation in many fields.

Carefully indexed, it is highly useful as a reference volume.

A. W.



To the Editor of "Recent Books Reviewed."

Mr. Sayre's review of my pamphlet, *Democracy and Proportional Representation*, constitutes such an elementary violation of the rules which should govern the game of reviewing books that a reply is in order.

No reviewer should ever criticize a publication without fairly stating the opinions expressed in it, and whenever he tries to refute a specific argument he should go to the trouble of making a specific reply. Mr. Sayre says: "In his zeal to support this argument (that the majority system is an instrument of integration), Mr. Hermens would evidently have us reappraise Tammany Hall, for example, as a mechanism of integration." The word "evidently" is specious; it indicates what Mr. Sayre would have *wanted* me to write in order to make the task of refutation easy for him! Actually, I tried to show that in the 1937 elections in New York (and in all probability in the 1939 elections as well) the majority system would have demonstrated its integrating effections by defeating Tammany and electing a Fusion majority to the Council—an opinion which, incidentally, Mayor LaGuardia has also expressed.

Then comes my "wide excursion into recent European experience." Mr. Sayre finds it unconvincing, but fails to give us the benefit of any concrete argument in favor of his opinion.

My "fantastic figure for the cost of the first proportional representation election in New York City" was based upon two considerations. First, the actual cost of the 1937 election was slightly above \$700,000. I assumed that if elections had been held under the majority system they could not have cost more than \$100,000; in fact, an expert whom I consulted placed the probable cost between \$65,000 and \$75,000. Second, the annual cost of maintaining unnecessary county offices

was given at \$450,000 by Mayor LaGuardia. A Fusion-controlled council (which, as I have tried to show—in spite of Mr. Sayre's arguments to the contrary, which I have answered point for point in the issue of *Social Research* of September 1939—could have been expected under the majority system) would have abolished these offices immediately, and saved the money. That does make a total cost of P. R. for the first two years of \$1,500,000—and, of course, new expense has been incurred since!

P. R. and the decline in votes: So far as New York is concerned, I referred to the elections of 1939, not to those of 1937. The rather interesting figures for Toledo will be found on page 390 of my book, *Democracy or Anarchy?* and those for Cleveland on page 374 of the same volume. The Cleveland figure for 1925 was pitiful; the figures for 1927 and 1931 are better, but compare badly with the increase in Cleveland's voting population; again, the popular participation in the last P. R. election (1931) is miserable when compared with the vote cast in the first election under the reestablished majority system (1933).

May I express the hope that the reader who is interested in the subject will read my pamphlet and form his own opinion on the matter, rather than be guided by a reviewer whose bias is evident from the first sentence to the last?

F. A. HERMENS

University of Notre Dame

NOTE. Dr. Hermens seems to work on the theory that inaccurate statements made often enough will finally be accepted as fact. It is impossible, within the confines of this department, to discuss all the points he raises. Perhaps two will suffice:

In this letter, as well as in many of his recent writings, Dr. Hermens claims that in the 1937 P. R. councilmanic elec-

tion in New York City use of the majority system would have defeated Tammany and elected a Fusion majority to the council. He refuses to face the fact that at the *same election*, with the *same voters*, under the majority system which Dr. Hermens loves so well, the Democratic organization in New York City elected 80 per cent of the city's legislators at Albany although it actually polled less than 50 per cent of the vote for legislators, and 87 per cent of the city's representatives to the constitutional convention elected that year.

Dr. Hermens makes much of the fact that the 1937 P. R. election in New York cost \$700,000, a figure which both those for and those against the system agree was wasteful, unnecessary, and generally considered to be due in part to a desire of those in control of the city under the old charter to discredit P. R. as well as make jobs for their followers. He fails to mention, either in this letter or in his pamphlet, that the cost of the second P. R. election in 1939 was \$260,000. As to his inclusion in the cost of P. R. of \$450,000 per year for unnecessary county offices, which he claims would have been abolished by the council if it had not been elected by P. R., we can only agree with Dr. Sayre and say "fantastic!"

E. S. P.

## Additional Books and Reports Received

### Defense

**Cities and the National Defense Program.** By Arnold Miles and Roy H. Owsley. Chicago, American Municipal Association, 1941. vi, 73 pp. \$1.

**Discussing Your Defense; Health of the Nation; Planning for Living; What Shall We Defend; Women in Defense; Your Town and Defense.** New York City, American Association for Adult Education, 1941. 20, 20, 16, 16, 24, 18 pp. respectively. 10 cents each.

**Financing Defense.** How shall We Pay the Bill? New York City, Council for Democracy, 1941. 41 pp. 10 cents.

**Handbook for Consumer Representatives** of State and Local Defense Councils or Local Consumer Interest Committees. By Consumer Division, Office of Price Administrator and Civilian Supply and Office of Civilian Defense. Washington, D. C., Office for Emergency Management, 1941. 27 pp.

**Labor in the Defense Crisis.** By T. R. Carskadon. New York City, Public Affairs Committee, 1941. 32 pp. 10 cents.

**Labor Speeds Defense.** Report of Progress. Washington, D. C., Labor Division, National Defense Advisory Commission, 1941. 39 pp.

**The Negro and Defense.** A Test of Democracy. New York City, Council for Democracy, 1941. 42 pp. 10 cents.

### Education

**American Schools in Transition.** How Our Schools Adapt Their Practices to Changing Needs. A Study of Pennsylvania. By Paul R. Mort and Francis G. Cornell. New York City, Bureau of Publications, Teachers College, Columbia University, 1941. xxviii, 546 pp. \$4.25.

**What the Schools Can Do to Strengthen Democracy.** The Viewpoint of the Taxpaying Business Man. By Alvin A. Burger. Newark, New Jersey State Chamber of Commerce, 1941. 8 pp. mimeo.

### Elections

**Election Costs in Indiana.** By George Snowden. Bloomington, The Institute of Politics, Indiana University, 1941. iii, 35 pp. 25 cents.

### Government Text Books

**American City Government and Administration** (Third Edition). By Austin F. Macdonald. New York City, Thomas Y. Crowell Company, 1941. x, 661 pp. \$3.75.

**The People, Politics, and the Polit-**



**cian.** Readings in American Government. By A. N. Christensen and E. M. Kirkpatrick. New York City, Henry Holt and Company, 1941. x, 1001 pp. \$3.25.

### *Home Rule*

**The Number 1 Municipal Law Problem: Home Rule.** Report of the City of Chicago Law Department for 1940, Including Bibliography on Home Rule and Texts of Pertinent Provisions in All Home Rule States. By Barnet Hodes, Corporation Counsel. Chicago, Department of Law, 1941. 150 pp.

### *Interstate Cooperation*

**A Survey and Report to the Interstate Commission on the Delaware River Basin Relating to Rules Governing the Operation of Water Supply Projects which Involve the Diversion of Delaware River Waters.** Presented by The Commission's Advisory Committee on Quantity of Water in the Delaware River Basin. Philadelphia, Interstate Commission on the Delaware River Basin, 1941. vi, 59 pp. mimeo.

**Incodel: An Analysis of Its Organization, Operations, Future Programs.** By Carl A. Bock. Philadelphia, the Interstate Commission on the Delaware River Basin, 1941. 42 pp. mimeo.

### *Land*

**Land Classification in the United States.** Report of the Land Committee to the National Resources Planning Board. Washington, D. C., Superintendent of Documents, 1941. viii, 151 pp. 60 cents.

**Premature Land Subdivision a Luxury.** A Problem of Local Government in New Jersey. Trenton, New Jersey State Planning Board, 1941. 58 pp. 50 cents.

**Public Land Acquisition (Part II: Urban Lands).** Report of the Land Committee to the National Resources

Planning Board. Washington, D. C., Superintendent of Documents, 1941. vii, 38 pp. 20 cents.

**Subdivision Regulations.** An analysis of Land Subdivision Control Practices. By Harold W. Lautner. Chicago, Public Administration Service, 1941. xvii, 346 pp. \$3.75.

### *Planning and Zoning*

**A Consultative Service for Planning, Zoning and Traffic Engineering on a Cost Basis.** Seattle, Association of Washington Cities, 1941. 13 pp. mimeo.

**The Planning Function in Urban Government.** By Robert A. Walker. Chicago, University of Chicago Press, 1941. xxi, 376 pp. \$3.

### *Public Administration*

**Adjusting the Sights for Public Administration.** By William E. Mosher. Chicago, American Society for Public Administration, 1941. 8 pp.

**Education for Public Administration,** Graduate Preparation in the Social Sciences at American Universities. By George A. Graham. Chicago, Public Administration Service, 1941. x, 366 pp. \$3.50.

### *Public Relations*

**The Relations of Political Scientists with Public Officials:** Report of a Committee to the American Political Science Association. 44 pp. mimeo. 10 cents. (Apply to Kenneth Colegrove, Northwestern University, Evanston, Illinois.)

### *Taxation and Finance*

**Electric Utility Taxes Paid to State and Local Government in Washington.** Seattle, Association of Washington Cities, 1941. 9 pp. mimeo.

**Financial Statistics of Cities: 1938** (Vol. 2: Summary Bulletin). Prepared by the Bureau of the Census under the Supervision of C. E. Rightor. Washington, D. C., Superintendent of Documents, 1941. 30 pp. 10 cents.



**Financial Statistics of States: 1938.** (Vol. 3: Detailed Report). Prepared by the Bureau of the Census under the Supervision of C. E. Rightor. Washington, D. C., Superintendent of Documents, 1941. viii, 169 pp. 25 cents.

**An Income Tax for Illinois.** Answers to Questions often Asked. Report of the Taxation Committee. Chicago, City Club, 1941. 10 pp.

**A Municipal Credit Rating Scale.** By James E. McCabe. Syracuse, New York, Maxwell Graduate School, University of Syracuse, 1941. 13 pp. mimeo.

**State Tax Collections: 1940.** Washington, D. C., Bureau of the Census, 1941. 33 pp.

**Six-Year Capital Improvement Program for Maryland.** By Thomas F. Hubbard assisted by the Consultant Staff of the National Resources Planning Board. Baltimore, Maryland State Planning Commission, 1941. x, 169 pp. mimeo. 25 cents.

**Three Decades of Federal Taxes.** Philadelphia, Tax Institute, University of Pennsylvania, 1941. 12 pp. 25 cents.

#### *Miscellaneous*

**Analysis of State Printing Costs.** A Study of the State Printing Plant, Covering Volume and Cost of State Printing and Efficiency of Production Methods. Topeka, Research Department, Kansas Legislative Council, 1941. xv, 82 pp. mimeo.

**Criminal Youth and the Borstal System.** By William Healy and Benedict S. Alper. New York City, The Commonwealth Fund, 1941. vii, 251 pp. \$1.50.

**Library Costs and Budgets.** A Study of Cost Accounting in Public Libraries. By Emma V. Baldwin and William E. Marcus. New York City, R. R. Bowker Co., 1941. xii, 201 pp. \$3.

**Public Works Engineers' Yearbook 1941.** Including the Proceedings of the 1940 Public Works Congress at Detroit,

Michigan, and the Western Regional Conference at Los Angeles, California. Chicago, American Public Works Association, 1941. viii, 424 pp. \$3.50.

**Revision of Illinois Aviation Laws.** Springfield, Research Department, Illinois Legislative Council, 1941. 38 pp. mimeo.

**State Registration and Licensing of Architects.** Survey of General Types and Salient Features of Laws of Other States; and Fundamentals of Registration Procedure. Topeka, Research Department, Kansas Legislative Council, 1941. 21 pp. mimeo.

**Statutes and Decisions Relating to Control of the Dairy Industry,** Including a Supplement on Labor Relations in the Dairy Industry. By Edward Fisher Brown and Benjamin Werne. New York City, Milk Research Council, 1941. 59 pp. mimeo.

**Suggested Basic Building Code for Washington Cities.** By Alfred L. Miller and Joshua H. Vogel. Seattle, Association of Washington Cities, 1941. 30 pp.

**What the New Census Means.** By Stuart Chase. New York City, Public Affairs Committee, 1941. 30 pp. 10 cents.

#### POWER PROJECTS

(Continued from Page 481)

and personal property taxes levied during the preceding three years. Although the terms may be considerably changed before enactment, it is expected that they will remedy the omission of the original act.

A provision for payments in replacement of taxes was also included in the bill recently introduced in Congress to create an Arkansas Valley Authority for purposes similar to the projects herein described, and such payments in lieu of taxes are apparently becoming an established policy of the national government.